

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 7008 – SB 7006
FIRST EXTRAORDINARY SESSION
January 20, 2010

SUMMARY OF AMENDMENTS (012383, 012462, 012468, 012486, 012565, 012606, 012557): Amendment 012383 makes technical typographical changes to Section 2 and Section 5 of the printed bill. In Section 2, “degree offerings instructional locations” is changed to “degree offerings, instructional locations.” In Section 5, “university parallel course” is changed to “university parallel courses.”

Amendment 012462 changes the date of implementation for the university tract program, common course numbering system, and related items from fall 2012 to fall 2011.

Amendment 012468 requires the Tennessee Higher Education Commission (THEC) to report any projected tuition increases for the next academic year to the Office of Legislative Budget Analysis and the Comptroller of the Treasury by December 1st each year.

Amendment 012486 requires that all amendments and revisions to the public higher education funding formula be submitted to the Education Committees of the General Assembly for review and recommendation before such revisions or amendments take effect.

Amendment 012565 requires THEC to develop a statewide master plan for future development of public universities, community colleges, and technology centers in conjunction with all campuses and respective faculty.

Amendment 012606 requires the Comptroller of the Treasury to complete an audit of THEC, the University of Tennessee Board of Trustees (UT), and the Tennessee Board of Regents (TBR) that focuses on mission overlap, cost inefficiencies, management practices, and restructuring by July 1, 2012. This audit shall be submitted to the Education Committees of the General Assembly.

Amendment 012557 prohibits any part of the original bill from interfering with research and related activities that are consistent with an institution’s mission. Changes references related to fostering of economic growth and increasing the number of science, technology, engineering, and mathematics doctoral students and collaborative research and development by interdisciplinary teams to include other public state universities and their faculty.

Requires the Memphis Research Consortium to explore and develop strategies and plans for establishing and enhancing research and development opportunities in public health and related fields. Requires the Consortium to make a report on the progress of these plans and strategies to the Education Committees of the General Assembly by February 1, 2011.

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FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$1,037,000/FY 10-11
\$1,744,000/FY 11-12
\$3,411,500/FY 12-13

Other Fiscal Impact – Substantial funds from recurring appropriations of state revenue and other funding sources will be shifted from existing programs and activities of THEC, TBR, and UT to fund development and implementation of the new statewide master plan for higher education, articulation agreements between two-year and four-year public institutions, and remedial education programs. THEC, TBR, and UT are unable to specify the amount of funds and resources that will be shifted and are unable to identify the current programs that will be affected. New state appropriations to fund these activities will not be made.

The first three years of the UT-ORNL collaboration agreement will require a non-recurring state appropriation totaling \$6,192,500. Expenditures from this appropriation will be spread over three fiscal years. Non-recurring funding in the amount of \$6,000,000 is included in the appropriations bill to fund this legislation. If the federal grants and contract monies available for the UT-ORNL collaboration agreement at the end of the three-year state appropriation period for FY13-14 and thereafter are not enough to fully fund the program, the program will be scaled back or another source of funds will be required.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Unchanged from the original fiscal note

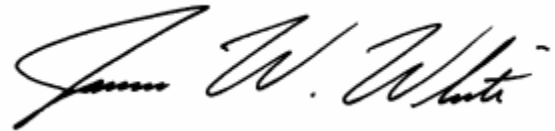
Assumptions applied to amendments:

- Amendment 012383 – Making these typographical corrections will have no impact on the fiscal impact of the original bill.
- Amendment 012462 – Changing the date of implementation for the university tract program and other provisions will have no fiscal impact on state or local government.
- Amendment 012468 – Any increase in state expenditures for THEC to submit a report on projected tuition increases to these entities is estimated to be not significant.
- Amendment 012486 – Any increase in state expenditures for THEC to submit funding formula amendments and revisions to the Education Committees of the General Assembly is estimated to be not significant.
- Amendment 012565 – Developing a master plan in conjunction with each campus and their respective faculties will have no fiscal impact on state government.
- Amendment 012606 – This audit will be completed within existing resources without an increased appropriation or reduced reversion.

- Amendment 012557 - Changing references and goals to include other state universities besides the University of Tennessee will have no fiscal impact on state or local government. Any increase in state or local expenditures for the Memphis Research Consortium to develop and enhance collaborative plans and strategies in public health care and related fields is estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

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